

Alberta Projects Update

KALiNA Power Limited (“KALiNA” or the “Company”) (ASX:KPO), is pleased to provide an update on the progress of its projects under development in Alberta, Canada. Positive results have continued on several fronts, including, site development, grid interconnection and gas supply, as well as project cost estimating; each of which are required in KDP’s efforts to achieve Full Notice to Proceed (“FNTP”) by the end of Q1,2021.

KPO’s Canadian subsidiary, Kalina Distributed Power Ltd, (“KDP”) is well advanced in its program to deploy multiple Kalina Combined Cycle power plants in Alberta to address a unique opportunity resulting from the legislated shut down of over 5GW of coal fired power generation. To be eligible for distribution incentives and be able to connect to the grid infrastructure efficiently each plant is limited in size to slightly over 30MW. Each plant will be configured with advanced gas turbine technology and the KALiNA Cycle® waste heat recovery technology.

- **Site Development, Grid Interconnection and Gas Supply:**

Strategic locations have been selected that have a growing demand for power and provide economic incentives for local power generation. Various locations have been prioritized, that take into account the proximity to both gas supply and the existing infrastructure needed for efficient interconnection with the grid.

As part of this process, KDP has been contracting for several months with the local utility in a multi-phased engagement to confirm feasibility for interconnection at several locations that have substations with the capacity to accept distributed power generation. Positive information has been received together with an indicative range of costs for the interconnection of KDP’s power plants. This has recently led to a further investment by KDP of CAD\$200,000 in which the utility has been contracted to provide cost estimates for interconnection at two locations. This estimate will be completed at a level of accuracy such that it can be used in KDP’s budget for FNTP.

All of KDP’s prioritized locations include favourable access to gas supply from independent gas suppliers as well as optimized proximity to pipeline infrastructure. Contract discussions are ongoing with various gas suppliers at each location, as well as developing contracting options for gas from existing pipelines in each area.

KDP has secured site control at one location, while being well advanced with several others using the above referenced criteria. A comprehensive program has been put in place to secure environmental and regulatory approvals necessary to achieve FNTP. Recent activities at two other locations include preliminary permitting along with environmental and regulatory studies that would allow KDP to gain site control in the coming month.

- **Engineering, Procurement, Fabrication, Modularization and Construction:**

Enerflex has been working over the past four months to provide a Class 3 cost-estimate for the total installed costs of the initial plants. The most important aspect of this involves the design and cost estimating for the fabrication and modularization of the Kalina Cycle. Enerflex has completed most of this work and are in the midst of reviewing the details with our team and Power Engineers (KDP’s owner’s engineer for the projects) with a view to confirm the final design considerations and specifications that will be used in its official class 3 estimate. The Enerflex class 3 estimate is expected to be finalised in the coming weeks and will be used in the budgetary approval process with our funding partner, Akira Partners.

Having advanced our grid interconnection process for several sites, together with pending site control, commencement of environmental studies and an expected well-supported EPC cost estimate, positions us for meaningful commercial negotiations with identified parties who are interested in gas to power opportunities and achieving progress towards lowering their carbon footprint while contributing to environmental, social, and governance (“ESG”) initiatives.

We look forward to updating the market with these developments and related progress.

Authorised by
Ross MacLachlan, CEO

For further information, please contact:
Tim Horgan
Executive Director
Ph: +61 3 9236 2800